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CLERK, U.S. DISTRICT COURT  
JUL 30 2007  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION  
Plaintiff,  
EDEBITPAY, LLC; EDP REPORTING, LLC; EDP TECHNOLOGIES CORPORATION; SECURE DEPOSIT CARD, INC.; and  
DALE PAUL CLEVELAND and WILLIAM RICHARD WILSON;  
Defendants.

CV CV 07 4880 ODW (ASW)

~~[PROPOSED]~~

TEMPORARY RESTRAINING ORDER WITH ASSET FREEZE, APPOINTMENT OF TEMPORARY RECEIVER, IMMEDIATE ACCESS TO BUSINESS PREMISES, EXPEDITED DISCOVERY, AND ORDER TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION SHOULD NOT ISSUE

Plaintiff Federal Trade Commission ("Commission" or "FTC"), pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), has filed a complaint for injunctive and other equitable relief, and applied for a temporary restraining order with asset freeze, the appointment of a receiver, immediate access to business premises, expedited discovery, and an order to show cause why a preliminary injunction should not issue pursuant to Rule 65 of the Federal Rules of Civil Procedure.

FINDINGS OF FACT

This Court has considered plaintiff's Complaint, *Ex Parte* Application for Temporary Restraining Order ("TRO Application"), Memorandum of Points and

1 Authorities, Declarations and Exhibits in support of plaintiff's TRO Application, and  
2 all other papers filed herein. It appears to the satisfaction of the Court that:

3 1. This Court has jurisdiction over the subject matter of this case, and there  
4 is good cause to believe the Court will have jurisdiction over the parties, pursuant to  
5 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345. The  
6 complaint states a claim upon which relief may be granted under Sections 5 and 13(b)  
7 of the FTC Act, 15 U.S.C. §§ 45 and 53(b).

8 2. Venue lies properly with this Court.

9 3. There is good cause to believe that defendants EDebitpay, LLC;  
10 EDP Reporting, LLC; EDP Technologies Corporation; Secure Deposit Card, Inc.;  
11 Dale Paul Cleveland; and William Richard Wilson have engaged in and are likely to  
12 engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a);

13 4. There is good cause to believe that the Commission is likely to prevail  
14 on the merits of this action;

15 5. There is good cause to believe that immediate and irreparable harm will  
16 result from defendants' ongoing violations of Section 5(a) of the FTC Act, 15 U.S.C.  
17 § 45(a), unless defendants are immediately restrained and enjoined by Order of this  
18 Court.

19 6. There is good cause to believe that immediate and irreparable damage to  
20 the Court's ability to grant effective final relief for consumers—including refunds,  
21 rescission, restitution, disgorgement and other equitable relief—will occur from the  
22 sale, transfer, assignment, or other disposition or concealment by defendants of their  
23 assets or records unless they are immediately restrained and enjoined by order of this  
24 Court.

25 7. Pursuant to Federal Rule of Civil Procedure 65(b) and Local Rules 7-19  
26 and 65-1, there is thus good cause for issuing this Order.

27 8. Good cause exists for appointing a temporary receiver for  
28 EDebitpay, LLC; EDP Reporting, LLC; EDP Technologies Corporation; and Secure  
Deposit Card, Inc.

1 9. Weighing the equities and considering the Commission's likelihood of  
2 success in its causes of action, this Order is in the public interest.

3 10. The Commission is an independent agency of the United States of  
4 America and no security is required of any agency of the United States of America for  
5 issuance of a restraining order under Fed. R. Civ. P. 65(c).

## 6 ORDER

### 7 Definitions

8 For purposes of this Order, the following definitions shall apply:

- 9 A. **"Assets"** means any legal or equitable interest in, right to, or claim to,  
10 any real, personal, or intellectual property, including but not limited to  
11 money, goods, instruments, equipment, fixtures, general intangibles,  
12 leasehold interests, inventory, checks, notes, accounts (as those terms are  
13 defined in the Uniform Commercial Code), available credit, through  
14 credit card accounts or otherwise, receivables, cash, funds, property,  
15 artwork, coins, precious metals, jewelry, chattel, mail or other deliveries,  
16 effects, lists of consumer names, contracts, or shares of stock, wherever  
17 located.
- 18 B. **"Defendants"** means Defendants EDebitpay, LLC; EDP Reporting,  
19 LLC; EDP Technologies Corporation; Secure Deposit Card, Inc.; Dale  
20 Paul Cleveland; and William Richard Wilson, and each of them by  
21 whatever names each might be known.
- 22 C. **"Business Entity Defendants"** means Defendants EDebitpay, LLC; EDP  
23 Reporting, LLC; EDP Technologies Corporation; and Secure Deposit  
24 Card, Inc. and each of them by whatever names each might be known.
- 25 D. **"Individual Defendants"** means Dale Paul Cleveland and William  
26 Richard Wilson, and each of them by whatever names each might be  
27 known.
- 28 E. **"Document"** is synonymous in meaning and equal in scope to the usage  
of the term in Rule 34(a) of the Federal Rules of Civil Procedure and

1 includes:

- 2 1. The original or a true copy of any written, typed, printed,  
3 electronically stored, transcribed, taped, recorded, filmed, punched,  
4 or graphic matter or other data compilations of any kind, including  
5 but not limited to letters, email or other correspondence, messages,  
6 memoranda, interoffice communications, notes, reports,  
7 summaries, manuals, magnetic tapes or discs, tabulations, books,  
8 records, checks, invoices, work papers, journals, ledgers,  
9 statements, returns, reports, schedules, or files; and  
10 2. Any electronically stored information on any desktop personal  
11 computer and workstations, laptops, notebooks, and other portable  
12 computers, whether assigned to individuals or in pools of  
13 computers available for shared use; and home computers used for  
14 work-related purposes; backup disks and tapes, archive disks and  
15 tapes, and other forms of offline storage, whether stored onsite  
16 with the computer used to generate them, stored offsite in another  
17 company facility, or stored offsite by a third-party; and computers  
18 and related offline storage used by Defendants' participating  
19 associates, which may include persons who are not employees of  
20 the company or who do not work on company premises.

21 F. **"Financial Institution"** means any bank, savings and loan institution,  
22 credit union, or any financial depository of any kind, including but not  
23 limited to any brokerage house, trustee, broker-dealer, escrow agent, title  
24 company, money market or mutual fund, commodity trading company,  
25 merchant account processor, or precious metal dealer, or any entity or  
26 person that holds, controls, or maintains custody of any account or asset  
27 of any Defendant.

28 G. **"Material"** means likely to affect a person's choice of, or conduct  
regarding, goods or services.

1 H. "Person" means any individual, group, unincorporated association,  
2 limited or general partnership, corporation, or other business entity.

3 **I. PROHIBITED BUSINESS ACTIVITIES**

4 **IT IS THEREFORE ORDERED** that in connection with the advertising,  
5 promotion, marketing, offering, or sale of goods or services by Internet or otherwise  
6 in commerce, Defendants and their officers, directors, agents, servants, employees,  
7 salespersons, independent contractors, corporations, subsidiaries, branches or  
8 business divisions, attorneys, successors, assigns, and all other persons or entities in  
9 active concert or participation with them who receive actual notice of this Order by  
10 personal service, facsimile, email, or otherwise, whether acting directly or through  
11 any corporation, subsidiary, division, or other entity are hereby temporarily restrained  
12 and enjoined from, directly or indirectly:

- 13 A. Debiting or causing consumers' bank accounts to be debited without  
14 obtaining the consumers' express informed consent for the debit;
- 15 B. Misrepresenting, either orally or in writing, expressly or by implication,  
16 any fact material to a consumer's decision to apply for or purchase  
17 Defendants' products or services, including that consumers can obtain  
18 any product, including but not limited to any prepaid debit card, at no  
19 cost or obligation;
- 20 C. Misrepresenting, either orally or in writing, expressly or by implication:  
21 1. that a consumer is obligated to pay a charge for any product or  
22 service; or  
23 2. any material aspect of acquiring or purchasing a prepaid debit card  
24 or any other of Defendants' products or services;
- 25 D. Failing to clearly and conspicuously disclose prior to the time when a  
26 consumer applies for or purchases any good or service from the  
27 Defendants, all material information relating to a consumer's decision to  
28 apply for or buy any good or service, including, where applicable:  
1. the fee(s) the Defendants will assess against the consumer's bank

1 account(s);

2 2. the method(s) Defendants will use to debit a consumer's bank  
3 account;

4 3. that Defendants will use consumers' personal information,  
5 including names, addresses, social security numbers, and bank  
6 account information, to debit consumers' bank accounts;

7 4. all material conditions and terms of the Defendants' refund or  
8 cancellation policies, or the fact that cancellations or refunds are  
9 not provided; and

10 5. The total cost to apply for, purchase, receive, or use any good or  
11 service.

## 12 II. ASSET FREEZE

13 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,  
14 servants, employees, and attorneys, successors, assigns, and all persons or entities  
15 directly or indirectly under the control of any of them, including any financial  
16 institution, and all other persons or entities in active concert or participation with any  
17 of them who receive actual notice of this Order by personal service, facsimile, email,  
18 or otherwise, are hereby temporarily restrained and enjoined from directly or  
19 indirectly:

20 A. Except as otherwise provided herein, transferring, converting,  
21 encumbering, selling, loaning, concealing, dissipating, disbursing,  
22 assigning, spending, withdrawing, liquidating, or otherwise disposing of  
23 any assets, wherever located, that are:

24 1. Owned or controlled by, or held for the benefit of, in whole or in  
25 part, any Defendant;

26 2. In the actual or constructive possession of any Defendant;

27 3. Owned or controlled by, or in the actual or constructive possession  
28 of, any corporation, partnership, or other entity that is directly or  
indirectly, in whole or in part, owned, managed, or controlled by

1 any Defendant;

2 including but not limited to assets held by or for any Defendant in  
3 any account at any bank or savings and loan institution, with any  
4 broker-dealer, escrow agent, title company, commodity trading  
5 company, precious metal dealer, merchant account processor,  
6 credit card processing agent, automated clearing house,  
7 transaction processor, bank debit processing agent, customer  
8 service agent, commercial mail receiving or forwarding agency,  
9 freight holding or forwarding agency, or other financial institution  
10 of any kind.

11 4. This asset freeze shall include but is not limited to assets held for,  
12 on behalf of, or for the benefit of any Defendant or their affiliates  
13 or subsidiaries, at any financial institution, including without  
14 limitation the following accounts:

- 15 a. **Wells Fargo, 12251 Ventura Blvd., Studio City,**  
16 **California 91604, Routing No. 022000247, Account**  
17 **Number XXXX-XX0209;**
- 18 b. **Wells Fargo, Sherman Oaks, California, Routing No.**  
19 **121042882, Account Numbers XXXX-XX3165, XXXX-**  
20 **XX3689, and XXXX-XX3697;**
- 21 c. **Four Oaks Bank, North Carolina. Account Numbers**  
22 **XXXXXX4101 and XXXXX5701;**
- 23 d. **Monterey County Bank, California. Account Number**  
24 **XXX0170;**
- 25 e. **Bay Cities Bank, Florida, Account Number XXXX14700.**

26 B. Opening or causing to be opened any safe deposit boxes or storage  
27 facilities titled in the name of, or held for the benefit of, in whole or in  
28 part, any Defendant, or that is subject to access by any Defendant or  
under that Defendant's control, without providing the Commission with

1 notice and an opportunity to inspect the contents in order to determine  
2 whether they contain assets covered by this Section;

3 C. Notwithstanding the provisions of Sections II.A-B above, Defendants  
4 shall each designate one account from which they may pay reasonable,  
5 usual, ordinary, and necessary living expenses or business expenses, as  
6 applicable, or attorneys fees upon satisfaction of the following  
7 conditions:

- 8 1. The Defendant shall disclose to the Commission the account (by  
9 account number and financial institution), and its balance at the  
10 time this Order becomes effective;
- 11 2. The Defendant shall fully comply with Section III (Financial  
12 Reports), below;
- 13 3. The Defendant shall demonstrate to the satisfaction of counsel for  
14 the Commission that the value of that Defendant's assets will not  
15 suffer unreasonable diminution due to such proposed expenditures  
16 considering Plaintiff's likelihood of success on the merits; and
- 17 4. **No withdrawal may be made pursuant to this Section II.C  
18 unless the Defendant has obtained written authorization from  
19 counsel for the Commission for each such withdrawal.**

20 D. This Section shall be construed to apply to assets Defendants acquire  
21 following entry of this Order only if such assets are derived from the  
22 operation of any activity prohibited by this Order or any other illegal  
23 activity. The acquisition and expenditures of such assets of \$1,000 or  
24 more shall be reported to Plaintiff within two (2) business days of the  
25 acquisition or expenditure.

### 26 III. FINANCIAL REPORTS

27 **IT IS FURTHER ORDERED** that Defendants shall each, within forty-eight  
28 (48) hours after service of this Order, prepare and deliver a Financial Statement to  
counsel for the Commission and to the Temporary Receiver, as follows:

- 1 A. Each Individual Defendant shall, for himself, complete and deliver a  
2 completed financial statement on the form captioned "Form Re: Financial  
3 Statement for Individual Defendant," which Plaintiff lodged concurrently  
4 with this Order.
- 5 B. Each Business Entity Defendant shall prepare and deliver a completed  
6 financial statement on the form captioned "Form Re: Financial Statement  
7 for Business Entity Defendant," which Plaintiff lodged concurrently with  
8 this Order.
- 9 C. Each Defendant shall prepare and deliver a completed financial statement  
10 on the form captioned "Form Re: Financial Statement for Business Entity  
11 Defendant," which is being lodged concurrently with this Order, for  
12 every other business entity owned, controlled, in whole or in part, or  
13 managed by each Defendant, under which they conduct business, or of  
14 which they are an officer, and of each trust for which they are a trustee.
- 15 D. The Financial Statements prepared and delivered pursuant to this Section  
16 shall be accurate as of the date of the entry of this Order and shall be  
17 verified under oath. No obligation is imposed on the Temporary  
18 Receiver under this Section.
- 19 E. Defendants shall each, within forty-eight (48) hours after entry of this  
20 Order, provide the Commission access to records and documents,  
21 pertaining to Defendants that are held by financial institutions outside the  
22 territory of the United States by signing the Consent to Release of  
23 Financial Records attached to this Order as Attachment 1.

#### 24 **IV. PRESERVATION OF RECORDS**

25 **IT IS FURTHER ORDERED** that Defendants and their officers, directors,  
26 agents, servants, employees, attorneys, successors, assigns, and all other persons or  
27 entities directly or indirectly, in whole or in part, under their control, and all other  
28 persons in active concert or participation with them who receive actual notice of this  
Order by personal service, facsimile, email, or otherwise, are hereby temporarily

1 restrained and enjoined from, directly or indirectly:

2 A. Destroying, erasing, mutilating, concealing, altering, transferring, or  
3 otherwise disposing of, in any manner, directly or indirectly, any  
4 documents that relate to the business practices or the business or personal  
5 finances of Defendants; to the business practices or finances of entities  
6 directly or indirectly under the control of Defendants; or to the business  
7 practices or finances of entities directly or indirectly under common  
8 control with any Defendant.

9 B. This Section specifically applies to all documents related to all Internet  
10 websites owned, controlled, or registered by Defendants, including but  
11 not limited to any of the websites with the following domain names:  
12 <https://superacclaim.com>; <https://builderimpact.com>;  
13 [www.sterlingcardnow.com](http://www.sterlingcardnow.com); [www.vipadvantagecard.com](http://www.vipadvantagecard.com);  
14 <https://eliteplusapp.com>; <https://execpluscard.com>; <https://sdcapp.com>;  
15 <https://vipcardnow.com>; and <https://instantvuecard.com>.

## 16 V. RECORD KEEPING/BUSINESS OPERATIONS

17 IT IS FURTHER ORDERED that Defendants and their officers, directors,  
18 agents, servants, employees, attorneys, successors, assigns, and all other persons or  
19 entities directly or indirectly, in whole or in part, under their control, and all other  
20 persons in active concert or participation with them who receive actual notice of this  
21 Order by personal service, facsimile, email, or otherwise, are each hereby temporarily  
22 restrained and enjoined from:

23 A. Failing to create, maintain, and provide upon request to the Commission  
24 and the Temporary Receiver, documents that in reasonable detail,  
25 accurately, fairly, and completely reflect Defendants' assets (including  
26 but not limited to income, loans, gifts, and revenue), disbursements,  
27 transfers, transactions, and expenditures, beginning upon service or actual  
28 notice of this Order;

B. Failing to make and keep books, records, accounts, bank statements,

1 current accountants' reports, general ledgers, general journals, cash  
2 receipt ledgers, cash disbursement ledgers and source documents,  
3 documents indicating title to real or personal property, and any other data  
4 which, in reasonable detail, accurately and fairly reflect the transactions  
5 and dispositions of the assets of Defendants;

6 C. Destroying, mutilating, concealing, altering, transferring, or otherwise  
7 disposing of, in any manner, any books, records, tapes, compact discs,  
8 digital audio files, computer disks, accounting data, checks (fronts and  
9 backs), correspondence, forms, advertisements, brochures, manuals,  
10 electronically stored data, banking records, customer lists, customer files,  
11 customer complaints, invoices, telephone records, ledgers, payroll  
12 records, or other documents of any kind, including electronically stored  
13 information, of Defendants, in their possession, custody, or control; and

14 D. Creating, operating, or exercising any control over any business entity,  
15 including any partnership, limited partnership, joint venture, sole  
16 proprietorship or corporation, without first providing the Commission  
17 with a written statement disclosing:

- 18 1. the name of the business entity;
- 19 2. the address and telephone number of the business entity;
- 20 3. the names of the business entity's officers, directors, principals,  
21 managers, and employees; and
- 22 4. a detailed description of the business entity's intended activities.

## 23 **VI. REQUIRED DISTRIBUTION OF ORDER BY DEFENDANTS**

24 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a  
25 copy of this Order to each subsidiary, partner, branch, division, sales entity, successor,  
26 assign, employee, independent contractor, agent, attorney, representative, and any  
27 closely held corporation, partnership, or proprietorship owned, controlled, or managed  
28 by Defendants and shall, within ten (10) calendar days from the date of entry of this  
Order, serve upon counsel for the Commission a sworn statement that they have

1 complied with this provision of the Order. The statement shall include the names and  
2 addresses of each such person or entity who received a copy of the Order.

### 3 **VII. SERVICE OF ORDER**

4 **IT IS FURTHER ORDERED** that Plaintiff's agents or employees may serve  
5 this Order upon any financial institution, or other entity or person that may have  
6 possession, custody, control, or knowledge of any documents or assets of Defendants,  
7 or any other entity or person that may be otherwise subject to any provision of this  
8 Order, by delivering a copy of the Order by any means, including personal service,  
9 facsimile, and email, to any office, branch, or location.

### 10 **VIII. CONSUMER CREDIT REPORT**

11 **IT IS FURTHER ORDERED** that pursuant to Section 604(a)(1) of the Fair  
12 Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), any consumer reporting agency served  
13 with this Order shall promptly furnish consumer reports on Individual Defendants  
14 Dale Paul Cleveland and William Richard Wilson and any spouse of these Defendants  
15 to counsel for the Commission and to the Temporary Receiver.

### 16 **IX. IMMEDIATE ACCESS TO DEFENDANTS' BUSINESS PREMISES, BOOKS, AND RECORDS**

17 **IT IS HEREBY ORDERED** that Defendants and their officers, directors,  
18 agents, servants, employees, attorneys, successors, assigns, and all other persons or  
19 entities directly or indirectly, in whole or in part, under their control, and all other  
20 persons in active concert or participation with them who receive actual notice of this  
21 Order by personal service, facsimile, email, or otherwise, whether acting directly or  
22 through any corporation, subsidiary, division, or other entity, shall:

23 A. Immediately identify to the Commission's counsel:

- 24 1. all of the Defendants' business premises;
- 25 2. any premises where the Defendants conduct business, or telephone  
26 or Internet sales operations or customer services operations;
- 27 3. any premises where documents related to the businesses of  
28 Defendants are stored or maintained;

1 4. any premises where assets belonging to the Defendants are stored  
2 or maintained;

3 B. Allow the Commission's representatives (including attorneys,  
4 investigators, paralegals and other staff) and the Temporary Receiver  
5 immediate access to:

6 1. all of the Defendants' business premises, including but not limited  
7 to, those located at **5301 Laurel Canyon Blvd., Suites 132 and**  
8 **214, Valley Village, California, 91607**, and such other business  
9 locations that are wholly or partially owned, rented, leased, or  
10 under the temporary or permanent control of any Defendant;

11 2. any other premises where the Defendants conduct business, or  
12 telephone or Internet sales operations, or customer service  
13 operations;

14 3. any premises where documents related to the Defendants'  
15 businesses are stored or maintained; and

16 4. any documents located at any of the locations described in this  
17 Section;

18 C. Produce to Plaintiff and the Temporary Receiver any records or property  
19 relating to Defendants' business or assets that are located in the personal  
20 residence of any of the Individual Defendants, within forty-eight (48)  
21 hours of service of this Order, at a location designated by Plaintiff and the  
22 Temporary Receiver, including but not limited to the following:

23 1. All contracts, accounting data, written or electronic  
24 correspondence, advertisements, computer tapes, disks, or other  
25 computerized or electronic records, digital audio files, books,  
26 written or printed records, handwritten notes, telephone logs,  
27 telephone scripts, telephone bills, receipt books, ledgers,  
28 membership records and lists, refund records, receipts, bank  
records (including personal and business monthly statements,

1 canceled checks, records of wire transfers, and check registers),  
2 appointment books, copies of federal, state, and local business or  
3 personal income or property tax returns, 1099 forms, title records,  
4 and other documents or records of any kind that relate to  
5 Defendants' business and assets; and

6 2. All computers and data in whatever form that relate to Defendants'  
7 business and assets;

8 D. Fully cooperate with and assist Plaintiff and the Temporary Receiver with  
9 regard to this Section;

10 E. Provide the Plaintiff and the Temporary Receiver with any and all  
11 passwords and other assistance necessary to obtain access to the  
12 Defendants' computer records and other data compilations from which  
13 information can be obtained and translated, if necessary, through  
14 detection devices into reasonably usable form;

15 F. Upon request, provide assistance and support to the Commission's  
16 representatives and the Temporary Receiver as necessary to allow them  
17 to efficiently copy to disk, tape or other medium, any and all computer  
18 files, however stored, and any and all audio recordings or digital audio  
19 files, which are in the Defendants' custody, control or possession.

20 **IT IS FURTHER ORDERED** that the Commission's representatives may  
21 remove documents from the Defendants' premises to be inspected or copied, but that  
22 such documents shall be returned to the Defendants' premises within six (6) business  
23 days. The Commission's representatives and the Temporary Receiver may also  
24 photograph and videotape the inside and outside of all premises to which they are  
25 permitted access by this Order, and all documents and other items found on such  
26 premises.

27 **IT IS FURTHER ORDERED** that law enforcement personnel, including but  
28 not limited to the United States Marshal Service, may accompany the Commission's  
representatives and the Temporary Receiver in implementing the provisions of this

1 Section in order to keep the peace and maintain the security of the Commission's  
2 representatives and the Receiver. No one shall interfere with the Commission's or the  
3 Temporary Receiver's inspection of the Defendants' premises or documents.

4 **IT IS FURTHER ORDERED** that the Commission's access to the Defendants'  
5 documents pursuant to this provision shall not provide grounds for the Defendants to  
6 object to any subsequent request for documents served by the Commission pursuant to  
7 Rule 34 of the Federal Rules of Civil Procedure. Provided, however, that the  
8 Commission shall not subsequently request that the Defendants produce any document  
9 that the Commission copied pursuant to this provision. The records to be inspected,  
10 reviewed and copied pursuant to this Section are those that are relevant to this action  
11 including, but are not limited to, documents which refer or relate to:

- 12 A. The Defendants' advertising, promotion, marketing, offering for sale, or  
13 sale of any goods or services, including but not limited to telemarketing  
14 or customer service scripts, emails, digital audio files, and Internet  
15 advertising;
- 16 B. Communications between any Defendant and consumers, including but  
17 not limited to letters, email communications, and voice-recorded  
18 communications;
- 19 C. Consumer complaints, including but not limited to complaints forwarded  
20 to the Defendants by law enforcement agencies or consumer advocacy  
21 organizations such as the Better Business Bureau; or
- 22 D. Communications between any Defendant and law enforcement agencies  
23 or consumer advocacy organizations such as the Better Business Bureau;
- 24 E. Communications between any Defendant and merchant account  
25 processors or payment processors, including but not limited to  
26 information relating to returns or chargebacks by consumers's banks  
27 against amounts billed by Defendants through any means; or
- 28 F. Communications between any Defendant and any financial institution.



1 C. Deny such Defendants and any other person or entity, unless  
2 accompanied by a representative of the Commission, access to any safe  
3 deposit box that is:

- 4 1. titled, in whole or in part, in the name of any Defendant; or
- 5 2. subject to access by any Defendant;

6 D. Provide counsel for the Commission within five (5) business days of  
7 receiving a copy of this Order, a sworn statement setting forth:

- 8 1. the identification number of each such account or asset;
- 9 2. the balance of each such account, or a description of the nature and  
10 value of such asset as of the time this Order is served, and, if any  
11 asset valued at over \$1,000 has been closed, removed, or  
12 transferred within the last 90 calendar days, the date removed or  
13 transferred, the total funds removed or transferred, and the name of  
14 the person or entity to whom such account or other asset was  
15 remitted;
- 16 3. identifying information for any safe deposit box to which Section  
17 X.C applies; and

18 E. Within five (5) business days of a request by the Commission, provide to  
19 the Commission copies of all records or other documentation pertaining  
20 to such account or asset, including without limitation originals or copies  
21 of account applications, account statements, signature cards, checks,  
22 drafts, deposit tickets, transfers to and from the accounts, all other debit  
23 and credit instruments or slips, currency transaction reports, 1099 forms,  
24 and safe deposit box logs.

## 24 XI. EXPEDITED DISCOVERY

25 **IT IS FURTHER ORDERED** that pursuant to Federal Rules of Civil  
26 Procedure Rules 30(a), 31(a), 34, and 45, Plaintiff is granted leave, at any time after  
27 service of this Order:

28 A. To take the deposition, including depositions upon forty-eight (48) hours'

1 written notice, of any person, whether or not a party, for the purpose of  
2 discovering the nature, location, status, or extent of assets of Defendants;  
3 the nature and location of documents reflecting the business transactions  
4 of Defendants; the nature and extent of Defendant's business activities;  
5 the whereabouts of Defendants; and the applicability of any evidentiary  
6 privileges to this action. The limitations and conditions set forth in Fed.  
7 R. Civ. P. 30(a)(2)(B) and 31(a)(2)(B) regarding subsequent depositions  
8 of an individual shall not apply to depositions taken pursuant to this  
9 Section. Any such depositions taken pursuant to this Section shall not be  
10 counted toward the ten-deposition limit set forth in Fed. R. Civ. P.  
11 30(a)(2)(A) and 31(a)(2)(A);

12 B. To demand the production of documents, on three (3) business days'  
13 notice, from any person, whether or not a party, relating to the nature,  
14 location, status, or extent of Defendants' assets, assets of their spouses, or  
15 assets of any parent or subsidiary corporation; the location of documents  
16 reflecting the business transactions of Defendants; the whereabouts of  
17 Defendants; and the applicability of any evidentiary privileges to this  
18 action, provided that twenty-four (24) hours' notice shall be deemed  
19 sufficient for the production of any such documents that are maintained  
20 or stored as electronic data; and

21 C. Service of discovery upon a party taken pursuant to this Section shall be  
22 sufficient if made by facsimile or by overnight delivery.

## 23 **XII. PRODUCTION OF BUSINESS DOCUMENTS**

24 **IT IS FURTHER ORDERED** that Defendants, within forty-eight (48) hours  
25 after service of this Order, shall produce to the Commission:

26 A. Documents sufficient to identify by name, address, telephone number,  
27 and email address if applicable, each customer who has had a charge  
28 imposed on his or her bank account(s) by Defendants;

B. Documents sufficient to state the amount charged to the bank account(s)

1 of each consumer described in Section XII.A;

2 C. Each advertisement, solicitation, template, script, or copy used to sell or  
3 market any product or service sold or marketed by Defendants;

4 D. Each version of any script or outline used to sell or market any product or  
5 service sold by Defendants; and

6 E. Documents sufficient to identify by name, address, telephone number,  
7 and position all persons who have been employed by Defendants.

8 Provided, however, this Section does not require Defendants to produce  
9 documents that are taken for copying by the Commission pursuant to Section IX  
10 (Immediate Access to Defendants' Business Premises, Books and Records).

### 11 XIII. REPATRIATION OF ASSETS

12 **IT IS FURTHER ORDERED** that Defendants shall, within five (5) business  
13 days following service of this Order, do the following:

14 A. Repatriate to the United States all funds, documents, or assets in foreign  
15 countries held either: (1) by them; (2) for their benefit; or (3) under their  
16 direct or indirect control, jointly or individually;

17 B. On the same business day as any repatriation under Section XIII.A above,  
18 (1) notify the Court, counsel for the Commission, and the Temporary  
19 Receiver of the name and location of the financial institution or other  
20 entity that is the recipient of such funds, documents, or assets; and (2)  
21 serve this Order on any such financial institution or other entity;

22 C. Provide the Commission and the Temporary Receiver with a full  
23 accounting of all funds, documents and assets outside of the territory of  
24 the United States held either: (1) by them; (2) for their benefit; or (3)  
25 under their direct or indirect control, jointly or individually; and

26 D. Hold and retain all repatriated funds, documents and assets and prevent  
27 any transfer, disposition, or dissipation whatsoever of any such assets or  
28 funds in full compliance with this Order until further Order of this Court.

1 **IT IS FURTHER ORDERED** that Defendants are hereby temporarily  
2 restrained and enjoined from taking any action, directly or indirectly, which may result  
3 in the encumbrance or dissipation of foreign assets, or in the hindrance of the  
4 repatriation required by this Section, including but not limited to:

- 5 A. Sending any statement, letter, fax, email, or wire transmission, or  
6 telephoning or communicating or engaging in any other act, directly or  
7 indirectly, that results in a determination by a foreign trustee or other  
8 entity that a "duress" event has occurred under the terms of a foreign trust  
9 agreement until such time that all assets have been fully repatriated  
10 pursuant to this Section;
- 11 B. Notifying any trustee, protector, or other agents of any foreign trust or  
12 other related entities of either the existence of this Order, or of the fact  
13 that repatriation is required pursuant to a Court Order, until such time that  
14 all assets have been fully repatriated pursuant to this Section.

#### 14 **XIV. BANKRUPTCY PETITIONS**

15 **IT IS FURTHER ORDERED** that, in light of the asset freeze, Individual  
16 Defendants must give 21 days' notice to Plaintiff prior to filing, or causing to be filed,  
17 on behalf of the Individual Defendants, a petition for relief under the United States  
18 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*

#### 19 **XV. APPOINTMENT OF TEMPORARY RECEIVER**

20 **IT IS FURTHER ORDERED** that HOWARD I. CAMMI is  
21 appointed temporary receiver ("Temporary Receiver") for Business Entity Defendants  
22 and any successors, assigns, or subsidiaries that the Business Entity Defendants  
23 control (hereinafter referred to as "Receivership Defendants"), with the full power of  
24 an equity receiver. The Temporary Receiver shall be the agent of this Court and  
25 solely the agent of this Court in acting as Temporary Receiver under this Order. The  
26 Temporary Receiver shall be accountable directly to this Court. The Temporary  
27 Receiver shall comply with all Local Rules of this Court governing receivers,  
28 including Local Rule 66-8.

## XVI. RECEIVERSHIP DUTIES

IT IS FURTHER ORDERED that the Temporary Receiver is directed and authorized to accomplish the following:

- A. Assume full control of the Receivership Defendants by removing, as the Temporary Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of the Receivership Defendants, including any Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendants;
- B. Take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody, or under the control of, the Receivership Defendants, wherever situated. The Temporary Receiver shall have full power to hold and divert mail, and to sue for, collect, receive, take in possession, hold, and manage all assets and documents of the Receivership Defendants and other persons or entities whose interests are now held by or under the direction, possession, custody, or control of the Receivership Defendants. Provided, however, that the Temporary Receiver shall not attempt to collect any amount from a consumer if the Temporary Receiver believes the consumer was a victim of the unfair or deceptive acts or practices alleged in the Complaint in this matter;
- C. To immediately return to consumers, without further court order, any funds that are identifiable as received from specific consumers following the Temporary Receiver's appointment or that are received at the Receivership Defendants' premises or mailboxes or forwarded to the Temporary Receiver after entry of this Order and that were, based upon the Temporary Receivers's good faith determination, procured by use of the unfair or deceptive acts or practices alleged in the Complaint in this matter. Likewise, upon the Temporary Receiver's appointment, the Temporary Receiver shall take all reasonable steps to halt immediately the debit of consumer bank accounts that in the Temporary Receiver's

1 good faith determination were procured by the use of the unfair or  
2 deceptive acts or practices alleged in the Complaint in this matter;

3 D. Take all steps necessary to secure the business premises of the  
4 Receivership Defendants, including but not limited to all such premises  
5 located at **5301 Laurel Canyon Blvd., Suites 132 and 214, Valley**  
6 **Village, California, 91607**. Such steps may include, but are not limited  
7 to, the following as the Temporary Receiver deems necessary or  
8 advisable: (1) serving and filing this Order; (2) review and inspection of  
9 any documents of Receivership Defendants; (3) securing any business  
10 location of any named Defendant, including those that have been  
11 partitioned, by changing the locks and disconnecting any computer  
12 modems or other means of access to the computer or other records  
13 maintained at such a location; (4) completing a written inventory of all  
14 receivership assets; (5) obtaining pertinent information from all  
15 employees and other agents of the Receivership Defendants, including,  
16 but not limited to, the name, home address, social security number, job  
17 description, method of compensation, and all accrued and unpaid  
18 commissions and compensation of each such employee or agent; (6)  
19 videotaping or photographing all portions of the locations described in  
20 this Section; (7) requiring persons present on the premises described in  
21 this Section to leave the premises at the time this Order is served, and to  
22 provide the Temporary Receiver with proof of identification, or to  
23 demonstrate to the satisfaction of the Temporary Receiver that such  
24 persons are not removing documents or assets of the Receivership  
25 Defendants from the premises; and (8) notwithstanding any other  
26 provision of this Order, the Temporary Receiver shall determine what  
27 constitutes reasonable access by other persons or entities to the business  
28 premises of the Receivership Defendants;

- 1 E. Conserve, hold, and manage all receivership assets, and perform all acts  
2 necessary or advisable to preserve the value of those assets, in order to  
3 prevent any irreparable loss, damage, or injury to consumers or to  
4 creditors of the Receivership Defendants, including, but not limited to,  
5 obtaining an accounting of the assets and preventing transfer, withdrawal,  
6 or misapplication of assets;
- 7 F. Enter into contracts and purchase insurance as advisable or necessary;
- 8 G. Prevent the inequitable distribution of assets and to determine, adjust, and  
9 protect the interests of consumers and creditors who have transacted  
10 business with the Receivership Defendants;
- 11 H. Manage and administer the business of the Receivership Defendants until  
12 further order of this Court by performing all incidental acts that the  
13 Temporary Receiver deems to be advisable or necessary, which includes  
14 retaining, hiring, or dismissing any employees, independent contractors,  
15 or agents;
- 16 I. Choose, engage, and employ attorneys, accountants, appraisers, and other  
17 independent contractors and technical specialists, as the Temporary  
18 Receiver deems advisable or necessary in the performance of duties and  
19 responsibilities under the authority granted by this Order;
- 20 J. Make payments and disbursements from the receivership estate that are  
21 necessary or advisable for carrying out the directions of, or exercising the  
22 authority granted by, this Order. The Temporary Receiver shall apply to  
23 the Court for prior approval of any payment of any debt or obligation  
24 incurred by the Receivership Defendants prior to the date of entry of this  
25 Order, except payments that the Temporary Receiver deems necessary or  
26 advisable to secure assets of the Receivership Defendants, such as rental  
27 payments;
- 28 K. Determine and implement the manner in which the Receivership  
Defendants will comply with, and prevent violations of, this Order and all

1 other applicable laws, including but not limited to, revising sales  
2 materials and implementing monitoring procedures;

3 L. Institute, compromise, adjust, appear in, intervene in, or become party to  
4 such actions or proceedings in state, federal or foreign courts that the  
5 receiver deems necessary and advisable to preserve or recover the assets  
6 of the Receivership Defendants or that the Temporary Receiver deems  
7 necessary and advisable to carry out the Temporary Receiver's mandate  
8 under this Order;

9 M. Defend, compromise, adjust, or otherwise dispose of any or all actions or  
10 proceedings instituted in the past or in the future against the Temporary  
11 Receiver in her role as receiver, or against the Receivership Defendants  
12 that the Temporary Receiver deems necessary and advisable to preserve  
13 the assets of the Receivership Defendants or that the Temporary Receiver  
14 deems necessary and advisable to carry out the Temporary Receiver's  
15 mandate under this Order;

16 N. Continue and conduct the business of the Receivership Defendants in  
17 such manner, to such extent, and for such duration as the Temporary  
18 Receiver may in good faith deem to be necessary or appropriate to  
19 operate the business profitably and lawfully, if at all; provided, however,  
20 that the continuation and conduct of the business shall be conditioned  
21 upon the Temporary Receiver's good faith determination that the business  
22 can be lawfully operated at a profit using the assets of the receivership  
23 estate;

24 O. Issue subpoenas to obtain documents and records pertaining to the  
25 receivership, and conduct discovery in this action on behalf of the  
26 receivership estate;

27 P. Open one or more bank accounts in the Central District of California as  
28 designated depositories for funds of the Receivership Defendants. The  
Temporary Receiver shall deposit all funds of the Receivership

1 Defendants in such a designated account and shall make all payments and  
2 disbursements from the receivership estate from such an account;

3 Q. Maintain accurate records of all receipts and expenditures made as  
4 Temporary Receiver;

5 R. To determine and implement the manner in which the Receivership  
6 Defendants will comply with, and prevent violations of, this Order and all  
7 other applicable laws, including but not limited to, revising sales  
8 materials and implementing monitoring procedures; and

9 S. Cooperate with reasonable requests for information or assistance from  
10 any state or federal law enforcement agency.

11 IT IS FURTHER ORDERED that the Temporary Receiver will be responsible  
12 for maintaining the chain of custody of all of Defendants' records in his possession,  
13 pursuant to procedures to be established in writing with the approval of the  
14 Commission.

#### 15 **XVII. COOPERATION WITH THE TEMPORARY RECEIVER**

16 IT IS FURTHER ORDERED that Defendants and their officers, directors,  
17 agents, servants, employees, attorneys, successors, assigns, and all other persons or  
18 entities directly or indirectly, in whole or in part, under their control, and all other  
19 persons in active concert or participation with them who receive actual notice of this  
20 Order by personal service, facsimile, email, or otherwise, whether acting directly or  
21 through any corporation, subsidiary, division, or other entity shall fully cooperate with  
22 and assist the Temporary Receiver.

23 A. Cooperation shall include, but not be limited to:

- 24 1. Providing any information to the Temporary Receiver that the  
25 Temporary Receiver deems necessary to exercising the authority  
26 and discharging the responsibilities of the Temporary Receiver  
27 under this Order, including allowing the Temporary Receiver to  
28 inspect documents and assets, and to partition office space;

- 1 2. Providing any password required to access any computer,  
2 electronic file, or telephonic data in any medium; or
- 3 3. Advising all persons who owe money to the Receivership  
4 Defendants that all debts should be paid directly to the Temporary  
5 Receiver.

6 B. Defendants and their officers, directors, agents, servants, employees,  
7 attorneys, successors, assigns, and all other persons or entities directly or  
8 indirectly, in whole or in part, under their control, and all other persons in  
9 active concert or participation with them who receive actual notice of this  
10 Order by personal service or otherwise, whether acting directly or  
11 through any corporation, subsidiary, division, or other entity, are hereby  
12 restrained and enjoined from directly or indirectly:

- 13 1. Transacting any of the business of the Receivership Defendants;
- 14 2. Destroying, secreting, defacing, transferring, or otherwise altering  
15 or disposing of any documents of the Receivership Defendants,  
16 including, but not limited to, books, records, accounts, writings,  
17 drawings, graphs, charts, photographs, audio and video recordings,  
18 computer records, and other data compilations, electronically-  
19 stored records, or any other papers of any kind or nature;
- 20 3. Transferring, receiving, altering, selling, encumbering, pledging,  
21 assigning, liquidating, or otherwise disposing of any assets owned,  
22 controlled, or in the possession or custody of, or in which an  
23 interest is held or claimed by, the Receivership Defendants, or the  
24 Temporary Receiver;
- 25 4. Excusing debts owed to the Receivership Defendants;
- 26 5. Failing to notify the Temporary Receiver of any asset, including  
27 accounts, of the Receivership Defendants held in any name other  
28 than the name of the Receivership Defendants, or by any person or  
entity other than the Receivership Defendants, or failing to provide

1 any assistance or information requested by the Temporary Receiver  
2 in connection with obtaining possession, custody, or control of  
3 such assets;

4 6. Doing any act or refraining from any act whatsoever to interfere  
5 with the Temporary Receiver's managing or taking custody,  
6 control, or possession of the assets or documents subject to this  
7 receivership; or to harass or interfere with the Temporary Receiver  
8 in any way; or to interfere in any manner with the exclusive  
9 jurisdiction of this Court over the assets or documents of the  
10 Receivership Defendants; or to refuse to cooperate with the  
11 Temporary Receiver or the Temporary Receiver's duly authorized  
12 agents in the exercise of their duties or authority under any Order  
13 of this Court; and

14 7. Filing, or causing to be filed, any petition on behalf of the  
15 Receivership Defendants for relief under the United States  
16 Bankruptcy Code, 11 U.S.C. § 101 et seq., without prior  
17 permission from this Court.

### 18 **XVIII. DELIVERY OF RECEIVERSHIP PROPERTY**

19 **IT IS FURTHER ORDERED** that:

20 A. Immediately upon service of this Order upon them, or within such period  
21 as may be permitted by the Temporary Receiver, Defendants or any other  
22 person or entity shall transfer or deliver possession, custody, and control  
23 of the following to the Temporary Receiver:

- 24 1. All assets of the Receivership Defendants;
- 25 2. All documents of the Receivership Defendants, including, but not  
26 limited to, books and records of accounts, all financial and  
27 accounting records, balance sheets, income statements, bank  
28 records (including monthly statements, canceled checks, records of

1 wire transfers, and check registers), client lists, title documents and  
2 other papers;

3 3. All assets belonging to members of the public now held by the  
4 Receivership Defendants; and

5 4. All keys and codes necessary to gain or to secure access to any  
6 assets or documents of the Receivership Defendants, including but  
7 not limited to access to their business premises, means of  
8 communication, accounts, computer systems, or other property.

9 B. In the event any person or entity fails to deliver or transfer any asset or  
10 otherwise fails to comply with any provision of this Section, the  
11 Temporary Receiver may file *ex parte* an Affidavit of Non-Compliance  
12 regarding the failure. Upon filing of the affidavit, the Court may  
13 authorize, without additional process or demand, Writs of Possession or  
14 Sequestration or other equitable writs requested by the Temporary  
15 Receiver. The writs shall authorize and direct the United States Marshal  
16 or any sheriff or deputy sheriff of any county, or any other federal or state  
17 law enforcement officer, to seize the asset, document, or other thing and  
18 to deliver it to the Temporary Receiver.

### 19 **XIX. TRANSFER OF FUNDS TO THE RECEIVER**

20 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, all  
21 financial institutions or other entities shall cooperate with all reasonable requests of  
22 the Temporary Receiver relating to implementation of this Order, including  
23 transferring funds at the Temporary Receiver's direction and producing records related  
24 to the assets of the Receivership Defendants.

### 25 **XX. STAY OF ACTIONS**

26 **IT IS FURTHER ORDERED** that, except by leave of this Court, pending  
27 determination of the requested preliminary injunction, Defendants and all other  
28 persons and entities, including but not limited to customers, principals, investors,  
creditors, stockholders, and lessors, be and hereby are stayed from taking any action to

1 establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the  
2 name of the Receivership Defendants, or any of their subsidiaries, affiliates,  
3 partnerships, assets, or documents, or the Temporary Receiver or the Temporary  
4 Receiver's duly authorized agents acting in their capacities as such, including but not  
5 limited to the following actions:

- 6       A. Commencing, prosecuting, continuing, entering, or enforcing any  
7       suit or proceeding, except that such actions may be filed to toll any  
8       applicable statute of limitations;
- 9       B. Accelerating the due date of any obligation or claimed obligation;  
10       filing, creating, perfecting, or enforcing any lien; enforcing any  
11       right of setoff; taking or attempting to take possession, custody, or  
12       control of any asset; attempting to foreclose, forfeit, alter, or  
13       terminate any interest in any asset, whether such acts are part of a  
14       judicial proceeding, are acts of self-help, or otherwise; and
- 15       C. Executing, issuing, serving, or causing the execution, issuance or  
16       service of, any legal process, including, but not limited to,  
17       attachments, garnishments, subpoenas, writs of replevin, writs of  
18       execution, or any other form of process whether specified in this  
19       Order or not; or
- 20       D. Doing any act or thing whatsoever to interfere with the Temporary  
21       Receiver taking custody, control, possession, or management of  
22       the assets or documents subject to this receivership, or to harass or  
23       interfere with the Temporary Receiver in any way, or to interfere in  
24       any manner with the exclusive jurisdiction of this Court over the  
25       assets or documents of the Receivership Defendants.
- 26       E. This Section does not stay:
- 27           1. The commencement or continuation of a criminal action or  
28           proceeding;

- 1           2.    The commencement or continuation of an action or  
2           proceeding by a governmental unit to enforce such  
3           governmental unit's police or regulatory power;
- 4           3.    The enforcement of a judgment, other than a money  
5           judgment, obtained in an action or proceeding by a  
6           governmental unit to enforce such governmental unit's police  
7           or regulatory power;
- 8           4.    The commencement of any action by the Secretary of the  
9           United States Department of Housing and Urban  
10          Development to foreclose a mortgage or deed of trust in any  
11          case in which the mortgage or deed of trust held by the  
12          Secretary is insured or was formerly insured under the  
13          National Housing Act and covers property, or combinations  
14          of property, consisting of five or more living units; and
- 15          5.    The issuance to the Receivership Defendants of a notice of  
16          tax deficiency.

## 17                   **XXI. COMPENSATION OF TEMPORARY RECEIVER**

18           **IT IS FURTHER ORDERED** that the Temporary Receiver and all personnel  
19           hired by the Temporary Receiver as herein authorized, including counsel to the  
20           Temporary Receiver and accountants, are entitled to reasonable compensation for the  
21           performance of duties pursuant to this Order and for the cost of actual out-of-pocket  
22           expenses incurred by them, from the assets now held by, or in the possession or  
23           control of, or which may be received by, the Receivership Defendants. The  
24           Temporary Receiver shall file with the Court and serve on the parties periodic requests  
25           for the payment of such reasonable compensation, with the first such request filed no  
26           more than 60 days after the date of this Order, and subsequent requests no less  
27           frequently than once every six (6) months thereafter. The Temporary Receiver shall  
28           not increase the hourly rates used as the bases for such fee applications without prior  
          approval of the Court.

1 **XXII. RECEIVER'S BOND**

2 **IT IS FURTHER ORDERED** that the Temporary Receiver shall file with the  
3 Clerk of this Court a bond in the sum of \$10,000 with sureties to be approved  
4 by the Court, conditioned that the Temporary Receiver will well and truly perform the  
5 duties of the office and abide by and perform all acts the Court directs.

6 **XXIII. DURATION OF TEMPORARY RESTRAINING ORDER**

7 **IT IS FURTHER ORDERED** that the Temporary Restraining Order shall  
8 expire, pursuant to Fed. R. Civ. P. 6(a), on the tenth business day after issuance, i.e.,  
9 August 13, 2007, unless within such time, the Order, for good cause  
10 shown, is extended for an additional period not to exceed ten (10) business days  
11 pursuant to Fed. R. Civ. P. 6(a), or unless it is further extended with the consent of the  
12 parties.

13 **XXIV. ORDER TO SHOW CAUSE**

14 **IT IS FURTHER ORDERED** pursuant to Federal Rule of Civil Procedure  
15 65(b) and Local Rule 65.1, that Defendants shall appear before this Court, <sup>in</sup> ~~on the~~  
16 Courtsroom 11 floor of the Spring Street Federal Courthouse, on the 23 day of  
17 August, 2007, at 1<sup>20</sup> o'clock P.m., to show cause, if there is any, why this  
18 Court should not enter a preliminary injunction, pending final ruling on the Complaint  
19 against Defendants, enjoining them from further violations of Section 5(a) of the FTC  
20 Act, 15 U.S.C. § 45(a), continuing the freeze of their assets, imposing such additional  
21 relief as may be appropriate, and appointing a permanent receiver over the  
22 Receivership Defendants.

23 **XXV. SERVICE OF DOCUMENTS AND EVIDENCE**

24 **IT IS FURTHER ORDERED** that Defendants in responding to this Court's  
25 Order to Show Cause, shall serve all memoranda, affidavits, and other evidence on  
26 which they intend to rely not later than 4:00 p.m. of the fourth business day prior to  
27 the preliminary injunction hearing set in this matter. Service on the Commission shall  
28 be performed by personal delivery, or confirmed facsimile delivery, to Raymond E.  
McKown, Esq. at the following address: **Federal Trade Commission, 10877**

1 **Wilshire Blvd., Suite 700, Los Angeles, California 90024, (310) 824-4380 (fax**  
2 **number).** The Commission may serve and file a supplemental memorandum of  
3 points and authorities based on evidence discovered subsequent to the filing of its  
4 Complaint by no later than 4:00 p.m. of the fourth business day prior to the  
5 preliminary injunction hearing, and may serve and file a reply to defendants'  
6 opposition by no later than noon on the second business day prior to the preliminary  
7 injunction hearing.

8 **XXVI. NO DIRECT EXAMINATION OF WITNESSES**

9 **IT IS FURTHER ORDERED** that there will be no direct examination of  
10 witnesses at the preliminary injunction hearing in this matter. By noon of the second  
11 business day prior to the preliminary injunction hearing each party must serve and file  
12 a list of the opposing party's declarants that the party will cross-examine at the  
13 hearing. Any declarants not so listed on a timely served and filed list will not be  
14 subject to such cross-examination.

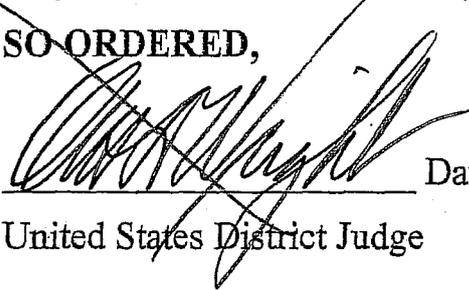
15 **XXVII. RETENTION OF JURISDICTION**

16 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this  
17 matter for all purposes.

18 **XXVIII. NO BOND REQUIRED**

19 No security is required of any agency of the United States for the issuance of a  
20 restraining order. Fed. R. Civ. P. 65(c).

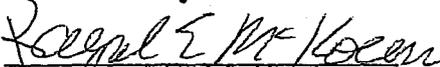
21 **SO ORDERED,**

22 

Dated: 7-30-07 at 1:50 p.m.

23 United States District Judge

24 Presented by:

25   
26 Raymond E. McKown  
27 Barbara Y. K. Chun  
28 Alberto Rivera-Fournier  
Attorneys for Plaintiff  
FEDERAL TRADE COMMISSION

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**ATTACHMENT 1**

**CONSENT TO RELEASE OF FINANCIAL RECORDS**

I, \_\_\_\_\_, of the State of \_\_\_\_\_ in the United States of America, do hereby direct any bank or trust company at which I have a bank account of any kind or at which a corporation has a bank account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control, which relate to the said bank accounts, to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of the Federal Trade Commission v. EDebitPay, LLC, EDP Reporting, LLC, EDP Technologies Corp., Secure Deposit Card, Inc., Dale Paul Cleveland, and William Richard Wilson, now pending in the United States District Court for the Central District of California, and this shall be irrevocable authority for so doing. This direction has been executed pursuant to that certain order of the United States District Court for the Central District of California in connection with the aforementioned matter. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be a relevant principal.

Dated: \_\_\_\_\_, 2007